

UTILITIES SERVICE BOARD MEETING

November 10, 2008

Utilities Service Board meetings are recorded electronically or stenographically and are available during regular business hours in the office of the Director of Utilities.

Board President Swafford called the regular meeting of the Utilities Service Board to order at 5:01 p.m. The meeting was held in the Utilities Service Board room at the City of Bloomington Utilities Department Administrative Building in Bloomington, Indiana.

Board members present: Tom Swafford, Sam Frank, Jeff Ehman, Julie Roberts, Jason Banach, John Whikehart, Pedro Roman and ex-officio member Tim Mayer. Staff members present: John Langley, Michael Horstman, Mike Trexler, Jane Fleig and Jon Callahan. Others present: Sue Mayer.

MINUTES

Board member Roberts moved and Board member Ehman seconded the motion to approve the minutes of the October 27th meeting. Motion carried, 6 ayes, 1 member absent, (Roman).

CLAIMS

Board member Roberts moved and Board member Ehman seconded the motion to approve the claims as follows:

Claims 0891567 through 0891610 including \$184,669.25 from the Water Operations & Maintenance fund for a total of \$171,664.77 from the Water Utility; Claims 0831019 through 0831045 including \$171,664.77 from the Wastewater Operations & Maintenance fund for a total of \$171,664.77 from the Wastewater Utility; and claims 0870118 through 0870120 for a total of \$5,145.80 from the Wastewater/Storm water Utility. Total claims approved – \$361,479.82.

Board member Frank asked about the claim for Don Young Trucking for hauling sludge. Utilities Deputy Director Langley said there will be additional claims for up to \$50,000. Sludge that has been approved for disposal is being hauled to the Monroe County Landfill where it will be used to support vegetation in the landfill closure process. Monroe County is paying half of the cost of hauling. This allows the Landfill to avoid fertilizer costs and frees up space at the Dillman Road Landfill. The original plan had been to move about 12,000 yards of sludge but it now seems likely the amount will be higher. Mr. Frank asked if Utilities has trucks that could be used for this. Mr. Langley explained the trucks are being used for Utilities projects. Utilities has trucks that are 6 or 12 tons, where as Young Trucking has 20 and 24 ton trucks. It is still going to take about 840 trips to move the sludge.

Board member Ehman asked how much dry sludge is produced in a year. Mr. Langley estimated that it is about 10,000 tons.

Motion approved, 6 ayes, 1 member absent, (Roman).

REQUEST FOR APPROVAL OF THE 2008 INTERDEPARTMENTAL AGREEMENT BETWEEN THE CITY OF BLOOMINGTON AND THE CITY OF BLOOMINGTON UTILITIES DEPARTMENT:

City Controller Trexler presented the agreement. The agreement deals with two major things; services provided to Utilities by the Civil City Departments and an in lieu of taxes payment which is designed to mirror a tax payment for a private utility. There are four sections to the agreement. The first is payments for services directly provided, then the in lieu of taxes, next is payments for the health insurance trust and finally fleet maintenance costs. There are also some additional provisions for PCB related legal costs which are paid by Utilities then half the cost is reimbursed by the Controller's office.

Mr. Trexler reminded the USB there had been a Finance Subcommittee meeting on November 5th to discuss this agreement. A few things were brought up at that meeting that he wanted to address. First, board member Roman had a concern that there was some duplication of payments in that Utilities is paying directly for some things like health insurance and ITS then also paying for them through the in lieu of taxes payment. Mr. Trexler said it isn't really duplication. A private utility would pay for their own health insurance, human resources, ITS, etc. On top of that taxes would have to be paid. There was also some discussion of what the tax rate is. He provided the USB with a list from the 2008 budget order which comes from the Department of Local Government and Finance. It details the final tax rates and the total levy and that kind of information. The list provided is an excerpt that shows property tax by the fund. The total is the rate that would be applied to Utilities' total in-city net assets to come up with a maximum payment that would be allowable by State statute. Mr. Roman worked with the Financial Department to come up with a list of assets in the city. The total of that list was \$80,345,175. This gives a total maximum payment of \$557,288.06. The total the City is asking for is just over \$420,000, well below the maximum amount.

Board President Swafford said the Finance Subcommittee had recommended approval for this agreement at their meeting on November 5th.

Board member Ehman commented that Assistant Director of Finance Horstman had generated the \$80,000,000 figure for the total asset list. Mr. Ehman said that he and Board member Roman went through that spreadsheet and tried their best to determine which assets are within the City limits. Their best guess gave them a figure of \$60,000,000 for total assets. He thinks that neither number is exactly accurate. Mr. Ehman recommended to the USB that every asset be tagged according to its location. It would give the benefit of making the process much more transparent. The Finance Subcommittee could make a recommendation as to how this would be accomplished.

City Controller Trexler said he had not been involved in generating the list of assets. Mr. Roman and Mr. Horstman put it together. He said the fixed asset list is designed for financial purposes not asset tracking. He suggested that Utilities GIS system would have most of the information needed to put it all together. It could have an additional layer for financial information. He highly recommends this be pursued. Board President Swafford said that at the Financial Subcommittee meeting he had stated a goal to take care of this during the next year.

Board member Frank said he agrees with the recommendations made by board member Ehman.

Board member Banach asked how the discrepancies came about. Mr. Ehman said it mostly was because it was difficult to determine whether or not some assets were in the city limits. He and Mr. Roman left things on the list if they weren't certain about the location.

Controller Trexler said that he would continue to rely on numbers provided by the Utilities Department. If a more accurate list were generated he would use that for his calculations.

Board member Banach seconded the recommendation of the Finance Subcommittee that the 2008 Interdepartmental Agreement between the City of Bloomington and the City of Bloomington Utilities Department be approved. Motion carried, 6 ayes, 1 member absent (Roman).

Board member Roman arrived at this time. He said he would have voted for the agreement if he had been able to be present for the vote. He looks forward next year to working through the problems earlier in the process.

Board President Swafford thanked board members Ehman and Roman for all the time they had spent on this agreement.

OLD BUSINESS:

No old business was presented.

NEW BUSINESS:

No new business was presented.

SUBCOMMITTEE REPORTS:

There was a Finance Subcommittee meeting on November 5th. It was reported on earlier in the meeting.

STAFF REPORTS:

Deputy Director Langley said that under the Federal Clean Water Act Utilities operates a State approved industrial pre-treatment program. This program monitors the effluent quality from regulated industries that feed waste into the sewers for treatment. He said he doesn't need approvals but is just reading into the record some minor changes in the permits that have been issued. They do not include any changes in effluent limitations or the chemicals being monitored. One expiration date has been moved back one day so the expiration date is in five years instead of five years and one day. The permits for Baxter Pharmaceutical Solutions, LLC, Circle Proscio and Cook Pharmica were updated to reflect some minor changes in municipal code citations. Analytical methods and detection limits were added to their permits and also to the permit for Sabin Corporation. A slug control plan requirement was also added.

Board member Roberts asked what slug control is. Mr. Langley explained the permit requires the companies to identify any slug hazards that exist in the facility. For example, are there any large tanks of liquids that are objectionable to the Utility that are in close proximity to a floor drain? Can an accident in the facility result in a slug being delivered to the sewage treatment plant. Ms. Roberts asked what slug stands for. Mr. Langley said it is a large deposit of a chemical all at one time.

Board member Roberts then asked for a progress report on the Dunn St. Bridge Project. Capital Projects Manager Hicks said the bridge was opened for traffic the previous Friday. The only outstanding situation that might disrupt traffic would be Vectren making the road cut repairs necessary for their 10" high pressure force main relocation.

PETITIONS AND COMMUNICATIONS:

There were no petitions or communications.

ADJOURNMENT:

The meeting was adjourned at 5:20 p.m.

L. Thomas Swafford, President